

CONTRACT #1
RFS # 343.52-677

Department of Health
Health Services
Administration Division

VENDOR:
The Mulvihill Group, Inc.
DBA Leade Health, Inc.



RECEIVED

AUG 22 2006

FISCAL REVIEW

STATE OF TENNESSEE
DEPARTMENT OF HEALTH
CORDELL HULL BLDG.
425 5TH AVENUE NORTH
NASHVILLE TENNESSEE 37247

PHIL BREDESEN
GOVERNOR

KENNETH S. ROBINSON, M.D.
COMMISSIONER

August 22, 2006

M.D. Goetz, Commissioner
Department of Finance and Administration
First Floor, State Capital
Nashville, Tennessee 37247

Dear Commissioner Goetz:

The Department of Health requests your approval to amend the competitively procured contract with The Mulvihill Group dba Leade Health, Inc. (FA-06-16581-00) for tobacco quitline services to revise milestone deliverable dates for completion of services and revise some service unit/milestone amounts based on revisions to milestone deliverable dates. This proposed amendment does not revise or add services or terms and conditions contained in the original contract.

The original start date of this contract was June 30, 2006. Milestone completion dates in the scope of services, particularly in Sections A.1, A.2, A.3, A.4, and A.6., were predicated on a June 30 start date. Leade Health was advised not to provide any services required by this contract until the contract was fully executed. Services, therefore, were not initiated on June 30, the contract start date. The Department was advised of contract approval on July 17, 2006. This proposed amendment will advance the date on which the first milestone deliverable and payment is due to August 4, 2006, to allow for the lapse of time that occurred during the final approval of the contract. The other milestone deliverable dates in the scope of services and payment terms will also be revised accordingly. This will allow Leade Health a comparable amount of time to complete services as was allowed in the original contract.

Due to the delay in implementation of services, some revisions to service unit/milestone rates were also necessary.

Amendment Item 9: Operational cost of tobacco use quitline August 4, 2006 - August 31, 2006. The original amount for this milestone was \$11,079 for 18 days of operation (July 14, 2006 - July 31, 2006 at \$615.50 per day). The revised amount of \$17,234 is based on 28 days of operation at \$615.50 per day.

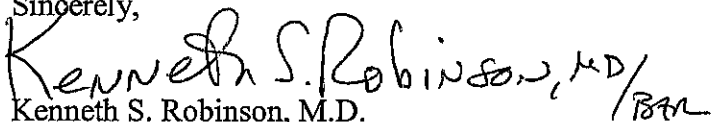
Amendment Item 12: Operational cost of the Media Campaign September 19, 2006 - September 30, 2006. The amount for this milestone is \$5400 per month. Because of the delay in implementing the media campaign from September 1,

2006, until September 19, 2006, the amount due for this milestone was prorated at a reduced rate of \$2160 for the period September 19, 2006, - September 30, 2006, (12 days at \$180 per day).

The total maximum liability of the contract and retention amount have also been reduced since the ongoing monthly operation of the tobacco quitline has been revised from 11 months to 10 months and the ongoing monthly operation of the media campaign has been revised from 10 months to 9 months.

Your favorable consideration of this request will be appreciated.

Sincerely,


Kenneth S. Robinson, M.D.
Commissioner

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

RECEIVED

AUG 22 2006

FISCAL REVIEW

Commissioner of Finance & Administration

Date:

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

1) RFS # 343.52-677-06.

2) State Agency Name : Department of Health

EXISTING CONTRACT INFORMATION

3) Service Caption : Tobacco Quitline

4) Contractor : The Mulvihill Group dba Leade Health, Inc.

5) Contract # FA-06-16581-00

6) Contract Start Date : June 30, 2006

7) Current Contract End Date IF all Options to Extend the Contract are Exercised : June 30, 20118) Current Total Maximum Cost IF all Options to Extend the Contract are Exercised : \$1,088,187

PROPOSED AMENDMENT INFORMATION

9) Proposed Amendment # One10) Proposed Amendment Effective Date : June 30, 2006
(attached explanation required if date is < 60 days after FTA receipt)11) Proposed Contract End Date IF all Options to Extend the Contract are Exercised : June 30, 201112) Proposed Total Maximum Cost IF all Options to Extend the Contract are Exercised : \$1,071,09413) Approval Criteria : (select one)
☒ use of Non-Competitive Negotiation is in the best interest of the state
☐ only one uniquely qualified service provider able to provide the service

14) Description of the Proposed Amendment Effects & Any Additional Service :

This proposed amendment is for a competitively procured contract and does not revise or add services. This proposed amendment revises milestone dates for completion of services.

15) Explanation of Need for the Proposed Amendment :

The start date for the contract with Leade Health is June 30, 2006. The Department was advised of contract approval on July 17, 2006. This proposed amendment will advance the date on which the first milestone deliverable and payment is due to August 4, 2006, to allow for the lapse of time that occurred during final approval of the contract. The other milestone deliverables in the scope of services and payment terms and conditions will also be revised accordingly as reflected in the attached Amendment One.

16) Name & Address of Contractor's Current Principal Owner(s) :
(not required if proposed contractor is a state education institution)

Michael Mulvihill, President, 22301 North Platt Road, Suite 400, Ann Arbor, MI 48104

17) Documentation of Office for Information Resources Endorsement :
(required only if the subject service involves information technology)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

18) Documentation of Department of Personnel Endorsement :
(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

19) Documentation of State Architect Endorsement :
(required only if the subject service involves construction or real property related services)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives : ..

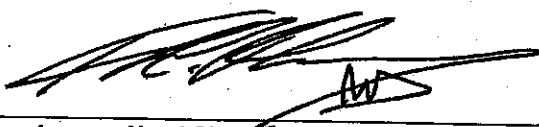
NA

21) Justification for the Proposed Non-Competitive Amendment :

Leade Health was advised not to provide any services required by this contract until the contract was fully executed. Therefore, services were not initiated on June 30, the contract start date. This amendment will advance the dates milestone deliverables are due to account for the number of days the contract was in the final approval process to allow Leade Health a comparable amount of time to complete services as was allowed in the original contract.

REQUESTING AGENCY HEAD SIGNATURE & DATE :

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)



Agency Head Signature

8/15/06
Date

**AMENDMENT ONE
TO CONTRACT NUMBER FA-06-16581-00**

This Contract, by and between the State of Tennessee, Department of Health, hereinafter referred to as the State, and The Mulvihill Group dba Leade Health, Inc., hereinafter referred to as the Contractor, is hereby amended as follows:

1. Delete the first paragraph of Section A.1 in its entirety and insert the following in its place:

A.1. Implement a statewide toll free dial-in telephone based system to assist tobacco users to quit by providing intake and assessment, brief intervention, and proactive counseling in English and Spanish. The quitline will serve as the state's access line for cessation information, tobacco use counseling, and referral to local resources. The quitline services shall be available free of charge to all Tennesseans and shall use the telephone number 1-800-QUIT-NOW. A Telecommunication Device for the Deaf (TDD) line must be available to provide services to the hearing impaired. The quitline must be operational by August 4, 2006. The Contractor shall at a minimum provide the following services:

2. Delete Section A.2 in its entirety and insert the following in its place:

A.2. Establish and implement operation of a automated 24 hour quit tip telephone line with voice mail capacity to allow caller to leave a message and select tobacco use cessation. The quit tip line shall be operational for caller use before and after normal business hours (Seven) 7 days per week and provide service on holidays. The 24 hour automated quit tip line shall be operational by August 4, 2006.

3. Delete Section A.3 its entirety and insert the following in its place:

A.3. Submit first progress activity report in a format approved by the State, from August 4, 2006 through August 31, 2006 due no later than September 15, 2006, which at a minimum shall include the following information. (Submission of progress activity reports due by August 15 in a subsequent contract period or periods is contingent on contract extension referenced in section B.2 of this Contract.)

4. Delete Section A.4 its entirety and insert the following in its place:

A.4. The Contractor shall develop for prior review and approval by the State, a variety of media campaigns in English and Spanish with a goal of generating call volume between 1,000-2,000 calls per month from Tennessee's general and priority populations. The media schedule approved campaigns shall be developed and presented to the State for final approval by August 21, 2006. The campaigns shall begin no later than September 19, 2006, and shall continue as specified through June 30, 2007.

5. Delete the first paragraph of Section A.6 in its entirety and insert the following in its place:

A.6. Submit second progress activity report from September 1, 2006 through September 30, 2006, due no later than October 15, 2006, which at a minimum shall include the following information. (Submission of progress activity reports due by October 15 in a subsequent contract period or periods is contingent on contract extension referenced in section B.2 of this Contract.)

6. Delete Section C.3 in its entirety and insert the following in its place:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Four Hundred Thirty-Nine Thousand One Hundred Twenty-Six Dollars (\$439,126.00). The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be Incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

7. Delete the first Service Unit/Milestone in Section C.3 A. in its entirety and insert the following in its place:

A. SERVICE UNIT/MILESTONE

AMOUNT

Program Operation Implementation : Completed by
August 4, 2006 (see scope A.1.)
(Amount to be paid upon completion of the milestone-
Less 10% retention, per C.9)

\$ 65,490

8. Delete the second Service Unit/Milestone in Section C.3 A. in its entirety and insert the following in its place:

A. SERVICE UNIT/MILESTONE

AMOUNT

Establish and implement operation of 24 hr quit tip telephone
Line: Operational by August 4, 2006 (see scope A.2.)
(Amount to be paid upon completion of the milestone-

\$2,988

9. Delete the third Service Unit/Milestone in Section C.3 A. in its entirety and insert the following in its place:

A. SERVICE UNIT/MILESTONE

AMOUNT

Operational cost of tobacco use quitline
August 4, 2006 – August 31, 2006 (see scope A.1.)
Less 10% retention, per C.9)

\$17,234

10. Delete the fourth Service Unit/Milestone in Section C.3 A. in its entirety and insert the following in its place:

A. SERVICE UNIT/MILESTONE

AMOUNT

Submission of first progress activity report –Submitted by September 15, 2006 (see scope A.3.)
(Amount to be paid upon completion of the milestone-
Less 10% retention, per C.9) Submission of progress activity reports due by August 15 in a subsequent contract period or periods is contingent on contract extension referenced in Section B.2 of this Contract.

\$3,780

11. Delete the fifth Service Unit/Milestone in Section C.3 A. in its entirety and insert the following in its place:

A. SERVICE UNIT/MILESTONE

AMOUNT

Development of Media Campaign Materials –Submitted by August 21, 2006 (see scope A.4.)
(Amount to be paid upon completion of the milestone-
Less 10% retention, per C.9)

\$22,500

12. Add the following as the sixth Service Unit/Milestone in Section C.3.A

A. SERVICE UNIT/MILESTONE

AMOUNT

Operation cost of the Media Campaign September 19, 2006 – September 30, 2006
(see scope A.4) (Less 10% retention per C.9)

\$ 2,160

13. Delete the first paragraph of Section C.3 B. in its entirety and insert the following in its place:

B. SERVICE UNIT/MILESTONE

AMOUNT

B. SERVICE
Monthly operational cost of tobacco quitline September 1, 2006-June 30, 2007
(Less 10% retention, per C.9) Monthly payments after June 30, 2007 are contingent on contract extension referenced in Section B.2. of this contract.

\$18,298 per month

14. Delete the second paragraph of Section C.3 B. in its entirety and insert the following in its place:

B. SERVICE UNIT/MILESTONE

AMOUNT

B. SERVICE

\$5,400 per month

Monthly cost of Media Campaign October 1, 2006 - June 30, 2007
(Less 10% retention, per C.9) Monthly payments after June 30, 2007
are contingent on contract extension referenced in Section B.2. of this
contract.

15. Delete Section C.9 in its entirety and insert the following in its place:

C.9. Retention of Final Payment. An amount of Forty Three Nine Hundred Thirteen Dollars (\$43,913), representing ten percent (10%) of the maximum total compensation payable under this Contract, shall be withheld by the State until fifteen (15) days after final completion of the services to be performed by the Contractor under this Contract.

The other terms and conditions of this Contract not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF:

THE MULVIHILL GROUP DBA LEADE HEALTH, INC.:

Michael Mulvihill, President

DATE

DEPARTMENT OF HEALTH:

Kenneth S. Robinson, M.D., Commissioner

DATE

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. GOETZ, JR., COMMISSIONER

DATE

DEPARTMENT OF PERSONNEL:

Not Applicable

DEBORAH E. STORY, COMMISSIONER

DATE

COMPTROLLER OF THE TREASURY:

JOHN G. MORGAN, COMPTROLLER OF THE TREASURY

DATE

021406

The Grantee has been selected based upon its' response to a Request for Proposal (RFP) issued by the Department of Health for Tobacco Quitline Services.

has been selected based upon its

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JUL 17 2006
DIRECTOR OF ACCOUNTS